

RANCHO SANTA FE SCHOOL DISTRICT

Proposition K

(This proposition will appear on the ballot in the following form.)

PROP K **RANCHO SANTA FE SCHOOL DISTRICT SCHOOL SAFETY AND REPAIR MEASURE.** To improve student safety, upgrade facilities and comply with State law by: constructing, repairing, renovating, replacing and equipping permanent buildings and sites, and removing portable buildings, at the Rowe School, including, in part, classroom, computer technology, ADA compliance, fire safety and seismic improvements, shall Rancho Santa Fe School District issue \$4,800,000 of bonds at legal rates with citizens oversight, guaranteed independent financial audits, no waste, and no money for administrative salaries?

This proposition requires approval by 55% of the voters.

<p>Full text of this proposition follows the argument.</p>
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TAX RATE STATEMENT

An election will be held in the Rancho Santa Fe School District (the "District") on March 2, 2004, for the purpose of submitting to the electors of the District the question of incurring a bonded indebtedness of the District in a principal amount not to exceed \$4.8 million. If such bonds are authorized and sold, the principal thereof and interest thereon will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information regarding tax rates is given to comply with Section 9401 of the California Elections Code. Such information is based upon the best estimates and projections presently available from official sources, upon experience with the District, and other demonstrable factors.

Based upon the foregoing and projections of the District's assessed valuation, and assuming the entire debt service will be paid through property taxation:

1. The best estimate of the tax rate that would be required to be levied to fund the bond issue during the first fiscal year after the sale of the first series of bonds (which is anticipated to be the only series of bonds) based on estimated assessed valuations available at the time of filing of this statement is 0.695 cents per \$100 of assessed valuation (or \$6.95 per \$100,000 of assessed valuation) for fiscal year 2004-05.
2. The best estimate of the highest tax rate that would be required to be levied to fund the bond issue, and an estimate of the years in which that rate will apply, based on estimated assessed valuations available at the time of the filing of this statement is again 0.695 cents per \$100 of assessed valuation (or \$6.95 per \$100,000 of assessed valuation), which is projected to be, the same in every fiscal year that the bonds remain outstanding.

Attention to all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which are not binding upon the District. The actual timing of bond sales and the amount of bonds sold at any given time will be governed by the needs of the District, the state of the bond market, and other factors. The actual interest rates on any bonds sold will depend upon market conditions and other factors at the time of sale. The actual assessed valuations in future years will depend upon the value of property within the District as determined in the assessment and equalization process. Therefore, the actual tax rates and the years in which such rates are applicable may vary from those presently estimated as stated above.

Dr. Dan Vinson
Superintendent
Rancho Santa Fe School District

COUNTY COUNSEL'S IMPARTIAL ANALYSIS

This proposition, if approved by 55% of the voters voting on the proposition, would authorize \$4,800,000 in general obligation bonds to be issued and sold on behalf of the Rancho Santa Fe School District. The issuance and sale of a bond by a school district is for the purpose of raising money for the district and represents a debt of the district. In exchange for the money received from the holder of the bond, the district promises to pay the holder a set amount of interest for a certain period of time, and to repay the loan on the expiration date.

The proceeds of these bonds of the Rancho Santa Fe School District would be used to improve student safety, upgrade facilities and comply with State law by constructing repairing, renovating, replacing and equipping permanent buildings and sites, and removing portable buildings at the Rowe School, including, in part, classroom, computer technology, ADA compliance, fire safety and seismic improvements.

The interest rate on the bonds, which is established at the time of bond issuance, could not exceed 12% per annum. The final maturity date of the bonds could be no later than 25 years after the date of bonds issued pursuant to the Education Code, or no later than 40 years after the date of bonds issued pursuant to the Government Code. Principal and interest on the bonds would be paid by revenue derived from an annual tax levied upon the taxable property within the Rancho Santa Fe School District in an amount sufficient to pay the interest as it becomes due and to provide a sinking fund for payment of the principal on or before maturity.

Article XIII A of the California Constitution exempts from the one percent property tax rate limitation ad valorem taxes to pay the interest and redemption charges on any bonded indebtedness for the acquisition or improvement of real property, including the furnishing and equipping of school facilities, approved by 55% of the voters if (a) the proceeds from the sale of the bonds are used only for the purposes specified, (b) the district, by evaluating safety, class size reduction, and information technology, has approved a list of specific projects to be funded, (c) the district will conduct an annual, independent performance audit, and (d) the district will conduct an annual, independent financial audit. In order to be approved by 55% of the voters, state law further requires the governing board to establish an independent citizens' oversight committee. The District has made the ballot proposition subject to these requirements.

Approval of this proposition does not guarantee that the proposed projects in the Rancho Santa Fe School District that are the subject of these bonds will be funded beyond the local revenues generated by this proposition. The district's proposal for the projects may assume the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.

A "yes" vote is a vote in favor of authorizing the issuance of the bonds.

A "no" vote is a vote against authorizing the issuance of the bonds.

ARGUMENT IN FAVOR OF PROPOSITION K

Help Rancho Santa Fe Kids – **Vote YES on K.**

Background: As we all know, the School District is working on a *second* school site to relieve the current overcrowding at the R. Roger Rowe School. But in the meantime, many of the decades-old buildings at the school are showing signs of their age. While we've done our best to maintain the school's appearance, the site now needs repairs beyond routine maintenance in order to stay in service for years to come. **That's what Prop K is all about – solely for making repairs and improvements to the R. Roger Rowe site.**

Parents, teachers, and facilities experts prioritized the most critical upgrades:

YES on K funds on-site improvements to increase student safety at drop-off and pick-up.

YES on K replaces outdated Fire Alarm, Security, and electrical wiring systems, increasing safety for our children.

YES on K updates classroom technology to the 21st century, ensuring that our children can learn in well-equipped classrooms engineered for future technology advances.

YES on K brings school facilities into compliance with current ADA laws and seismic safety standards.

YES on K removes the portables from the campus when the second school is built, restoring original landscaping and play areas.

YES on K qualifies our school for State Matching Funds to complete necessary repairs.

YES on K includes strict financial accountability requirements. An independent Citizens' Oversight Committee composed of local business, parent and community leaders will oversee all funds to ensure that they're spent only as specified in your voter handbook.

While Proposition K doesn't reduce overcrowding, the proposed repairs and upgrades are essential for the safety and education of our kids. These improvements will only become more expensive, the longer we wait. Vote **YES on K – we can only afford these repairs with your help.**

DR. R. ROGER ROWE
Retired Superintendent

JOHN EGGEMEYER
RSF Association Board Trustee

JIM ASHCRAFT
Former RSF Association Board President

RICHARD M. BURDGE
Community Center Board Trustee

BOB SPEARS
Community Center Board Trustee

ARGUMENT AGAINST PROPOSITION K

No argument against the proposition was filed in the office of the Registrar of Voters.

EXHIBIT B

FULL TEXT BALLOT PROPOSITION

The following is the full proposition presented to the voters by the Rancho Santa Fe School District.

Rancho Santa Fe School District School Safety and Repair Measure. "To improve student safety, upgrade facilities and comply with State law by: constructing, repairing, renovating, replacing and equipping permanent buildings and sites, and removing portable buildings, at the Rowe school, including, in part, classroom, computer technology, ADA compliance, fire safety and seismic improvements, shall Rancho Santa Fe School District issue \$4,800,000 of bonds at legal rates with citizens oversight, guaranteed independent financial audits, no waste, and no money for administrative salaries?"

Bonds: _____ Yes _____ No

The Board of Trustees of the Rancho Santa Fe School District has evaluated student safety, class size reduction, and information technology needs in developing the scope of school facility projects to be funded, as outlined in the District's most recent facility needs assessment, reviewed by the Board on December 3, 2003 and as shall be amended from time to time. The Board will appoint a citizens' oversight committee and require annual independent audits to ensure that bond funds are spent only as promised, consistent with Board policy and the facility needs assessment. Listed below are the most significant elements of the facility needs assessment:

Neither this Bond Measure nor the projects set forth below address school overcrowding. The Board of Trustees has expressed its intention to call an election for a second bond measure in November 2004 to address overcrowding in the School District through the acquisition of a school site and construction of a second school to serve the District. Certain of the projects listed below cannot be undertaken until a second school is built.

Projects

The R. Roger Rowe Rancho Santa Fe School Site

Safety

- Improve safety at the student drop-off and pick-up locations.
- Bring Gym into compliance with current seismic requirements.
- Upgrade outdated Fire Alarm and Communication systems.
- Improve site circulation and existing facilities where necessary to improve safety for children.

Technology

- Update electrical wiring and systems to accommodate additional loads due to the quantity of recently added computers to address safety concerns.
- Upgrade computer technology and connectivity for future needs throughout the campus.
- Provide comparable technology capabilities in each classroom as proposed second school.

ADA Compliance

- Bring all restrooms into ADA compliance.
- Bring all site circulation into ADA compliance.

Restore school and make Rowe school comparable to proposed second school.

- Remove approximately 20 classrooms portables and restore footprint to original landscaped and/or play areas.
- Provide classroom environments comparable to the proposed second school.
- Upgrade/repair aging infrastructure such as sewer, water, electrical, gas and storm drain.
- Provide a new teacher's work area comparable to the proposed second school.
- Improve/replace existing facilities to improve program needs and provide a campus comparable to that of the proposed second school.

The District intends to apply for State matching funds for every project that qualifies. As of the time of this ballot proposition, the District estimates that qualified projects will be eligible for approximately \$1,300,000 of State matching funds, in the event and to the extent State matching funds become available. Completion of the foregoing projects depends upon the issuance of these local bonds by RSFSD and upon the availability of State funds for modernization and new construction projects. State funds are subject to appropriation by the California Legislature or by approval of a statewide bond measure.

In order to ensure accountability so that bond funds are spent prudently and only as authorized through the facility needs assessment, the District has adopted the following requirements for the bonds and the projects to be funded with the bonds:

- a) The proceeds of the sale of the bonds will only be used for the purposes set forth in the ballot measure and shall not pay for administrators' salaries or other District operating expenses.
- b) The District will cause to be conducted an annual, independent performance audit to ensure that bond funds are spent only on projects identified in the facility needs assessment.
- c) The District will cause to be conducted an annual independent financial audit until all the bond proceeds have been expended.
- d) The District will appoint a Citizens' Oversight Committee in compliance with Proposition 39 and State law to efficiently implement the provisions of the bond measure. The Citizens' Oversight Committee will include members who are knowledgeable professionals in the fields of construction, finance, accounting and related fields.

Fiscal Accountability. This bond is subject to strict fiscal accountability requirements. Performance and financial audits are guaranteed and will be performed annually. All expenditures will be monitored by the independent Citizens Oversight Committee to ensure that funds are spent as promised. This Committee must include, among others, a representative of a bona fide Taxpayer's Association, a Business organization, a Senior organization, and PTA representative. No District employees or vendors may serve on the Oversight Committee.

No Administrators' Salaries. By law, proceeds from the sale of the bonds authorized by this Measure shall be used only for the projects specified in the District facility needs assessment, and not for any other purpose. No proceeds may be used for administrators' salaries or for other operating expenses.